



## LEGISLATIVE UPDATE

May 15, 2015

The main event of the week was Thursday's House Education Appropriations Sub-Committee meeting which offered the beginning of the [budget proposal](#) for public education, and there is good news to share as it:

1. Fully funds student population growth at 17,000+ new students;
2. Replaces the non-recurring money for teacher assistants with recurring funds (*i.e.*, there would not be a cut in funding for FY 2015-16);
3. Significantly increases textbook funding (adds around \$50 million);
4. Adds the needed funding to assure connectivity to every classroom;
5. Recognizes the importance of training and funding to prepare for digital learning by 2017;
6. Reinstates masters' pay for certain qualified personnel;
7. Addresses ways to further compensate teachers based on student achievement and other factors (giving more flexibility to local school districts).

Thankfully, about seventy-five percent of the SBE's Budget Expansion Requests are included in the House proposal. The released information does not include information about salary and benefit changes; however, it has been reiterated by both Chambers and the Governor that they intend to fulfill their promise of raising teachers' salaries to \$35,000. Next week (presumably Tuesday), the full House Appropriations Committee will hear and amend the entire budget bill and the Chamber will vote on it later next week with the goal of a final vote by the House on Thursday, at which point it will then go to the Senate.

### **A Few Facts & Figures from the House's Recommended Budget for Public Education:**

*(Please note: This chart does not reflect all the K-12 line items or the revised numbers from the [amendments](#) passed late Thursday. The new proposed budget, including yesterday's amendments, will become public on Monday and is not available today. Please check this [website](#) for the up-to-date version on Monday.)*

<b>Proposed Changes to the Continuation Budget</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>1. Average Daily Membership (ADM)</b>	100,236,542 (R)	207,195,864 (R)
Revises allotted ADM to reflect an estimated 17,338 more students in school year 2015-2016 and 17,701 in school year 2016-2017.		
<b>2. Teacher Assistants</b>	88,855,273 (R)	88,855,273 (R)
Moves a prior lottery receipt appropriation for teacher assistants to an appropriation from the General Fund.		
<b>3. Driver Training</b>	26,376,131 (NR)	
Restores state funding for driver education programs administered at the LEA level using non-recurring money from Civil Fines and Forfeitures.		

<b>4. NC Elevating Educators Act of 2015*</b>	<i>5,000,000 (R)</i>	<i>10,000,000 (R)</i>
Funds a new 3-year pilot program for LEAs to apply for funds to implement advanced teacher roles with additional pay.		
<b>5. Textbooks and Digital Resources*</b>	<i>50,000,000 (R)</i>	<i>50,000,000 (R)</i>
Increases funding for textbooks and digital resources, bringing total funding for this allotment to \$74.3 million.		
<b>6. School Connectivity Initiative</b>	<i>12,000,000 (R)</i>	<i>12,000,000 (R)</i>
Supports initiative to bring broadband connectivity to all K-12 public school classrooms in the state. This level of support is anticipated to leverage approximately \$60 million in additional federal E-Rate funds over the biennium. Total state funding for School Connectivity will be \$31.9 million.		
<b>7. Digital Learning Plan</b>	<i>9,000,000 (R)</i>	<i>9,000,000 (R)</i>
Supports aspects of the state's Digital Learning Plan. \$4 million is allocated to establish regional support organizations to provide technology support services to LEAs. \$5 million is allocated to support professional development for digital learning education leaders in each LEA. The SBE is to contract with the Friday Institute to administer these activities.		
<b>8. Regional Leadership Academies</b>	<i>4,000,000 (NR)</i>	
Non-recurring support to continue efforts of the three RLAs that develop new school administrators in the Northeast, Sandhills, and Piedmont-Triad regions.		
<b>10. AP/IB Teacher Bonuses</b>	<i>3,900,000 (R)</i>	<i>4,300,000 (R)</i>
Funding for a \$50 bonus payment (per student) to teachers of record for students achieving high grades on either the Advanced Placement (AP) or International Baccalaureate (IB) exams (3 or higher on AP, 4 or higher on IB).		
<b>11. Career &amp; Technical Education Teacher Bonuses</b>	<i>600,000 (R)</i>	<i>600,000 (R)</i>
Funding for a \$25 or \$50 bonus payment (per student) to teachers of record for students who complete a CTE class and gain an industry certification and/or credential.		
<b>12. Regional Education Service Alliances (RESAs)*</b>	<i>2,400,000 (R)</i>	<i>2,400,000 (R)</i>
Funding to the State Board of Education to work collaboratively with each of the eight RESAs to provide professional development to teachers and other LEA personnel.		
<b>13. Distinguished Leadership in Practice</b>	<i>300,000 (NR)</i>	
Provides non-recurring funding to the NC Principals and Assistant Principals' Association to continue implementation of this program for practicing school principals.		
<b>14. Microsoft Statewide Agreement</b>	<i>2,600,000 (R)</i>	<i>2,700,000 (R)</i>
Funding for DPI to enter into a statewide cooperative purchasing agreement with Microsoft to make Microsoft Office products available to every student and staff member in NC public schools at no cost to LEAs or students.		
<b>15. School Safety Instructional Support Personnel</b>	<i>1,800,000 (R)</i>	<i>1,800,000 (R)</i>
Funding for LEAs, regional schools, and charter schools to hire additional school psychologists, counselors, and social workers.		
<b>16. ADM Contingency Reserve Fund</b>	<i>2,500,000 (R)</i>	<i>2,500,000 (R)</i>
Increases funding for the ADM Contingency Reserve Fund to offset the potential costs associated with two virtual charter school pilots beginning operation in the 2015-2016 school year.		

<b>17. North Carolina New Teacher Support Program</b>	<i>1,500,000 (R)</i>	<i>1,500,000 (R)</i>
Increases funding to this program within the UNC System which targets beginning teachers in schools across the state that qualified for Race to the Top services. The program is administered through a central office and four regional anchor sites at UNC Greensboro, UNC Charlotte, East Carolina University, and the UNC Center for School Leadership Development.		
<b>18. Teacher Recruitment and Retention</b>	<i>200,000 (R)</i>	<i>3,000,000 (R)</i>
Establishes a new teacher scholarship loan program. The program is intended to recruit teachers for placement in hard-to-staff schools or subjects.		
<b>19. Principal Preparation</b>	<i>500,000 (R)</i>	<i>9,500,000 (R)</i>
Creates a competitive grant program for principal development to be administered by the State Education Assistance Authority.		
<b>20. Opportunity Scholarships</b>	<i>6,800,000 (NR)</i>	
Increases funding for the Opportunity Scholarship program. Total FY 2015-2016 funding will be \$17.6 million.		
<b>21. Transportation</b>	<i>(20,079,807) (R)</i>	<i>(20,079,807) (R)</i>
Reduces the total transportation allotment by approximately 4% to reflect a lower cost for diesel fuel (\$2.35/gallon vs. \$3.15/gallon, as previously projected).		

\* Some, but not all, of the items amended on Thursday.

### **Relevant Bills in Committee this Week:**

#### **HB 18** Planning Year for Cooperative Innovative High Schools (CIHSs)

On Wednesday, the Senate Committee on Education/Higher Education approved HB 18, and it is now referred to the Senate Committee on Rules and Operations. The bill would provide new, properly approved CIHSs with the option of opening at the beginning of the school year after approval or after a planning year. Currently, CIHSs can request additional funds that must be specifically appropriated by the General Assembly. This bill would further allow those additional funds to be used during an optional planning year for new CIHSs if requested. The bill will now go to the House Appropriations Committee. Currently, there are 84 CIHSs across the state.

#### **HB 237** Repeal Personal Education Plans/Modify Transition Plans

On Wednesday, the Senate Committee on Education/Higher Education approved HB 237, and the Senate amended the bill and passed it on Thursday. It will now go to the House for potential concurrence on the Senate changes. Under current law, LEAs must identify students who have been placed at-risk for academic failure and are not making progress (which will not change under this bill) and develop a personal education plan (PEP) for academic improvement. LEAs are also currently required to adopt and implement transition plans and utilize teams to assist at-risk students with the transition between elementary, middle, and high school. This bill would repeal the requirement for PEPs, but would not repeal the requirement to identify and help at-risk students. As amended, the bill would require school improvement teams to develop plans for at-risk students to assist them in making successful transitions between elementary, middle and high school years.

#### [HB 844](#) STEM Teacher Forgivable Loan Program

On Tuesday, the House Committee on Education/Universities approved HB 844; it is now referred to the House Committee on Appropriations. The bill would establish the “North Carolina STEM and Special Education Scholars Program” to provide forgivable education loans of \$5,000/year to North Carolina high school seniors who are committed to working as science, technology, engineering, mathematics, or special education teachers and who will attend an institution of the UNC System. The bill would appropriate \$2,900,000 for the 2015-2016 fiscal year and \$5,400,000 for the 2016-2017 fiscal year. The State Education Assistance Authority (SEAA) would administer the program and establish criteria for eligibility to participate in the Program – at a minimum, a 3.0 GPA and exemplary scholastic aptitude scores.

Each eligible UNC System institution would establish its own STEM and Special Education Scholars Fund for private contributions to match state funds appropriated for this program. Also, the UNC System and its participating institutions would be directed to administer extracurricular activities for participating students geared toward instilling a strong motivation to remain in teaching and provide leadership for the state’s K–12 public schools. Loans made to students would be forgiven by the SEAA, as follows:

1. Within six years of graduation, the recipient teaches four years at a North Carolina public school or a school operated by the federal government in North Carolina.
2. Within six years of graduation, the recipient teaches for three consecutive years at a North Carolina public school that, at the time of employment, is low-performing in accordance with G.S. 115C–105.37.

#### [HB 878](#) Expand Board of Trustees/School of Science & Math

On Wednesday, the Senate Committee on Education/Higher Education approved HB 878, and the Senate passed it on Thursday. It will now go to the Governor’s desk. The bill would increase the membership of the Board of Trustees of the North Carolina School of Science and Mathematics from 27 members to a potential 30 members. The president of the student government would be an ex officio, nonvoting member and up to two additional nonvoting members may be selected at the discretion of the chancellor and the Board of Trustees, with terms expiring June 30 of each year.

#### [HB 879](#) Juvenile Code Reform

On Tuesday, the Senate Judiciary II Committee approved HB 879, and the Senate amended and passed it on Wednesday. It will now go to the House for potential concurrence on Senate changes. The bill would make various changes to the juvenile code regarding due process protections, re-entry of juveniles in the delinquency system, and confinement of juveniles. Section 1.1 of the bill makes a change in the age limit for admissibility of a juvenile’s confession. Under the provision, a juvenile can be less than 16 years old (currently, 14) for a confession to be inadmissible, unless it is made in the presence of a parent, guardian, custodian or attorney. Section 2.6 of the bill was removed as further expunction reform is expected to come that may address this and similar situations in a separate Senate bill.

### [SB 438](#) Permanent Plates/Charter Schools

On Wednesday, the Senate Committee on Transportation approved SB 438. It is now referred to the Senate Committee on Finance. The bill would make permanent a provision from SL 2014-101 to allow permanent registration plates for properly marked motor vehicles owned and exclusively operated by a charter school for student transportation and official school related activities. Currently, this provision is set to automatically repeal on July 1, 2015. It is consistent with the same permanent registration provisions for LEA vehicles.

### **Other Bills with Action this Week:**

#### [HB 97](#) 2015 Appropriations Act (Dollar, L. Johnson, McGrady, Lambeth)

- Withdrawn from House Committee on Appropriations
- Re-referred to the House Committee on Finance, if favorable, Appropriations, if favorable, Pensions and Retirement

#### [HB 110](#) Cherokee/Rutherford/Clay Boards of Education Election (West)

- Favorable report from Senate Committee on State and Local Government
- Passed the Senate on Wednesday, May 13
- Reconsidered 3<sup>rd</sup> reading in the Senate
- Calendared in the Senate for Monday, May 18

#### [HB 111](#) Stanly County Board of Education Recall (Burr)

- Withdrawn from the Senate Committee on State and Local Government
- Re-referred to the Committee on Rules and Operations of the Senate

#### [HB 112](#) Stanly County Board of Education Election Method (Burr)

- Withdrawn from the Senate Committee on State and Local Government
- Re-referred to the Committee on Rules and Operations of the Senate

#### [HB 158](#) Jim Fulghum Teen Skin Cancer Prevention Act (Lambeth, Dollar, Hurley, McElraft)

- Passed the Senate on Wednesday, May 13
- Ratified; presented to the Governor on Thursday, May 14

#### [HB 293](#) Adoption Law Changes (Stevens)

- Passed the Senate on Wednesday, May 13
- Sent to the House for concurrence

#### [HB 358](#) School Performance Grade Scale (L. Johnson, Horn, Holloway, Elmore)

- Ratified
- Presented to the Governor on Tuesday, May 12

#### [HB 430](#) ([SB 422](#)) County Omnibus Legislation (McElraft, Carney, McGrady)

- Withdrawn from House Calendar
- Re-referred to the Committee on Rules, Calendar, and Operations of the House

#### [HB 602](#) Study to Evaluate Teacher Prep. Programs (Elmore, Jordan)

- Favorable report from the House Committee on Education – Universities
- Re-referred to the House Committee on Appropriations

#### [HB 759](#) Retirement System COLAs (L. Bell)

- Favorable report from the House Committee on Pensions and Retirement
- Re-referred to the Committee on Rules, Calendar, and Operations of the House

[HB 812](#) Grant Recipients Posted on Grantor Website (Riddell, Saine, Bradford, Bishop)

- Withdrawn from the Committee on Rules and Operations of the Senate
- Re-referred to the Senate Committee on Information Technology

[HB 879](#) Juvenile Code Reform (Jordan, Glazier, McGrady, Avila)

- Passed the Senate on Wednesday, May 13
- Sent to the House for concurrence

### **Meetings May 18-21**

Monday, May 18

1:00 PM Academic Standards Review Commission, 7<sup>th</sup> Floor Board room, NCDPI Building  
(<http://www.doa.nc.gov/asrc/>)

Tuesday, May 19

9:00 AM House Committee on Appropriations, 643 LOB

- 2015 Appropriations Act

Wednesday, May 20

- *Tentative* – Initial House Vote on 2015 Appropriations Act

Thursday, May 21

- *Tentative* – Final House Vote on 2015 Appropriations Act

### **Contact Information:**

Rachel E. Beaulieu  
Department of Public Instruction  
Legislative & Community Relations Director  
919-807-4035  
[Rachel.Beaulieu@dpi.nc.gov](mailto:Rachel.Beaulieu@dpi.nc.gov)

Zane B. Stilwell, II  
State Board of Education  
Legislative Relations & Policy  
919-807-4068  
[Zane.Stilwell@dpi.nc.gov](mailto:Zane.Stilwell@dpi.nc.gov)

Loretta Peace-Bunch  
Legislative Assistant  
919-807-3403  
[Loretta.Peace-Bunch@dpi.nc.gov](mailto:Loretta.Peace-Bunch@dpi.nc.gov)